



SBOA Audit Opinion Updates

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Outline

- Rainy Day Funds
- Official Bonds
- Telephone/Internet Expenses
- Mileage Rate
- IC 5-11-1-27(j)
- Other Miscellaneous

Rainy Day Funds

- Township can establish under IC 36-1-8-5.1
 - Resolution of Board
 - Purposes
 - Sources of Funding
 - Dormant Funds (IC 36-1-8-5)
 - CAGIT (IC 6-3.5-1.1-21.1)
 - COIT (IC 6-3.5-6-17.3)
 - CEDIT (IC 6-3.5-7-17.3)
 - Any other Funding specific by resolution and NOT OTHERWISE PROHIBITED BY LAW. (see next slide)

Rainy Day Funds (Continued)

- We are of the Audit Opinion that a township can transfer money from an appropriated fund to the RDF as long as the purpose of the levy has been fulfilled (and the board has stated such) and the transfer does not exceed 10% of the total annual budget (IC 36-1-8-5.1(d)(2)(B))

Rainy Day Funds (Continued)

- Funds

- Township (General)–Yes, subject to 10% max
- Township Assistance – NO (IC 12-20-21-3)
- Fire – NO (IC 36-8-13-4)
- Fire Protection – NO (IC 36-8-19-8)
- Fire Cum – Yes, subject to 10% max
- Park & Recreation – NO (IC 36-10-7-7)

Rainy Day Funds (Continued)

- Funds (Continued)

- Cemetery

- If conveyed to Township – No (IC 23-14-64-3)
 - If Township established, cemetery expenses should be paid out of Township (General) fund (IC 23-14-69-9)

- Donations

- Restricted – We would audit to agreement
 - Non-restricted – should go in Township (General) Fund

Official Bonds

- Trustee (IC 5-4-1-18(d)(1), (2))
 - Amount
 - \$30,000 for each \$1,000,000 of receipts during the last complete fiscal year
- Employee/Contractors (IC 5-4-1-18(a)(7), (e)(2))
 - “whose official duties include receiving, processing, disbursing, or otherwise having access to funds that belong to the...political subdivision”
 - \$5,000

Official Bonds (Continued)

- What does Official Duties mean?
 - Well...its not defined!
 - Our position is that it may include duties set forth in a job description, duties that are customary or routinely performed, or duties that are assigned, but not frequently performed.
 - There is no dollar threshold or *de minimis* exception, so if a person received \$5 once every 2 years, they are required to be bonded.

Official Bonds (Continued)

- We may increase the minimum amount if we find malfeasance, misfeasance, or nonfeasance (IC 5-4-1-18(j), (k), (l))

Official Bonds (Continued)

- Effective 1/1//16
 - All bonds must have one (1) year term
 - A continuation certificate is not sufficient
 - Consecutive yearly bonds must provide separate coverage for each year (IC 5-4-1-18(m)(1), (2))
 - We will not take exception to a new calendar year bond greater than 1 year if the current bond expires prior to 12/31/15
 - i.e. October 1, 2015 to December 31, 2016

Official Bonds (Continued)

- Term bonds issued on or after 1/1/16 are not allowed (IC 5-4-1-18(m)(1)).
- We recommend all current term bonds be converted to one year bonds starting 1/1/16 to comply with the spirit of the law and to reduce the risk of financial exposure to the Township

Official Bonds (Continued)

- Blanket Bonds are allowable
 - Authorized by resolution
 - Endorsed to cover faithful performance
 - Include aggregate coverage sufficient to cover all officers, employees, contractors required to be bonded (IC 5-4-1-18(b))
- Crime Insurance Policies
 - Permitted if authorized by Resolution
 - Do not replace bonds

Official Bonds (Continued)

- Other requirements:
 - Effective 1/1/16, bonds must commence on one of the following:
 - First day of calendar year
 - First day of fiscal year
 - First day of individuals service
 - All bonds made payable to the State of Indiana
 - All bonds must be filed with County Recorder within 10 days of issuance
- Filed with SBOA electronically via Gateway

Telephone/Internet Expenses

- If your office is in your home, AND the expense has been approved by the your Board, we will not take exception to a reasonable portion of your telephone and internet bills being paid by the Township.

Mileage Reimbursement Rate

- IC 36-6-8-3(b) states in part: “The Township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees...”
- Effective 7-1-15, the Department of Administration (DOA) and State Budget Agency (SBA) adjusted the rate to \$.40

- They will update the rate quarterly based on this chart
- Questions to IDOA Travel Management Office
(317) 232-4258

in.gov/sboa/files/tsb2015_310.pdf - Google ...

in.gov/sboa/files/tsb2015_310.pdf

Gateway Transparency 8.1.06 SBOA

Fuel Cost Scale		Mileage Reimbursement Cents Per Mile Driven
\$0.00	\$1.75	\$0.35
\$1.76	\$2.01	\$0.36
\$2.02	\$2.27	\$0.37
\$2.28	\$2.53	\$0.38
\$2.54	\$2.79	\$0.39
\$2.80	\$3.05	\$0.40
\$3.06	\$3.31	\$0.41
\$3.32	\$3.57	\$0.42
\$3.58	\$3.83	\$0.43
\$3.84	\$4.09	\$0.44
\$4.10	\$4.35	\$0.45
\$4.36	\$4.61	\$0.46
\$4.62	\$4.87	\$0.47
\$4.88	\$5.13	\$0.48

IC 5-11-1-27(j)

- “All erroneous or irregular...variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the state board of accounts.”
- We will then determine if it is material and will take steps as necessary.

IC 5-11-1-27(j)

- How to contact us?
 - Call (317) 232-2512
 - E-mail Ryan (rpreston@sboa.in.gov) or myself (wmichael@sboa.in.gov)
 - Contact your local field examiner
- **Fill out form on our website**

IC 5-11-1-27(j)

SBOA: General Overview - Google Chrome

SBOA: Town X SBOA: Gene X

test.ai.org/sboa/4455.htm

Gateway Transparency 8.1.06 SBOA »

Responsibilities for IC 5-11-1-27(j)

Name:

Email Address:

Phone Number:

Unit Name:

Unit County:

Situation*:

Submit Reset

Other Miscellaneous

- Cash Balance –vs– Appropriation Balance
- Form 17
- Our Website/Resources
- Conflict of Interest Disclosures
- Township Assistance Standards (IC 12-20-5.5-1)